BACKGROUND

DELAYS IN US MILITARY AID PROGRAM -- THAILAND

I. While money involved relatively insignificant, our stops and starts on question of paying for POL imports for MAP supported forces has been major irritant in Thai-US relations.

    A. Up until FY 1959, we had paid for this POL, but in that year we abruptly eliminated it, giving Thais no warning to enable them to budget for it themselves.

    B. Training requiring use of POL came to abrupt standstill until US partially restored ($600,000) cut by milking other parts of military aid program.

    C. $2,000,000 worth of POL was included in FY60 program (Amb Johnson had previously asked for $3,000,000).

    D. In future years US will gradually phase out its support of this item by reducing the amount 25% each year.

    E. On face of it there may be no good reason why we should support such costs, but nevertheless POL problem has been continuing sore point with Thai military.

II. Thai in January 1958 asked for F-86 fighters to modernize their three fighter-bomber squadrons, which presently include F-84 and 2 F8F units.

    A. At one time we considered programming 60 F-86 aircraft in FY59.

    B. This abandoned and intention then program 40 in FY60 program and rest in FY61.

    C. This in turn revised to include only 20 in FY60 and 40 in FY61.

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D. Latest thinking (late 1959) seemed be, according to Johnson, that 20 would be given out of FY60 funds, 20 out of FY61 and the remaining left to "vicissitudes of FY62 or later" programs.

E. Even the 20 programmed for FY60 won't reach Thailand until next December.

F. Plans to give the Thai 30 all-weather fighters in addition to the F-86's, also seem to have been left to the undetermined future.

G. Point to bear in mind is that F-86's themselves rapidly becoming obsolete.

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